EXHIBIT A-7

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CAUSE NO. 2016-31648

COBALT INTERNATIONAL ENERGY, INC.,,	§	**IN THE DISTRICT COURT OF**
	§	
Plaintiff,	§	
v.	§	
	§	
	§	
XL SPECIALTY INSURANCE CO.; ILLINOIS NATIONAL INSURANCE COMPANY, AN AIG SUBSIDIARY; AND AXIS INSURANCE COMPANY;,	§	**HARRIS COUNTY, TEXAS**
	§	
	§	
	§	
Defendants.	§	
	§	
	§	**125TH JUDICIAL DISTRICT**

DEFENDANT ILLINOIS NATIONAL INSURANCE COMPANY'S ORIGINAL ANSWER

Defendant Illinois National Insurance Company ("Illinois National") files this Original Answer in response to Plaintiff's Third Amended Petition (the "Petition").

I.
GENERAL DENIAL

1. Illinois National files a general denial in accordance with Rule 92 of the Texas Rules of Civil Procedure. Illinois National denies each and every, all and singular, the material allegations contained in the Petition, and states that these are matters that should be proved by Plaintiff as required by law. Illinois National demands strict proof of all allegations made by Plaintiff, as required by law, and respectfully request that Plaintiff be required to prove its charges and allegations by a preponderance of the evidence as is required by the Constitution and laws of the State of Texas. Further, Illinois National reserves the right to answer in greater particularity reasonably in advance of the trial.

II.
AFFIRMATIVE DEFENSES

2. Without conceding that the following are in fact affirmative defenses or that Illinois National has the burden of proving the allegations or denials of the following, Illinois National pleads the following affirmative defenses. And in asserting any defense, Illinois National does not admit any liability, but to the contrary, specifically denies any and all allegations of liability in Plaintiff's lawsuit.

3. Illinois National asserts that coverage is barred, in whole or in part, by Endorsement #34 to Policy 01-499-94-38 (the "Policy"), titled "Specific Investigation/Claim/Litigation/Event or Act Exclusion," and any similar exclusion in any subsequent policy.

4. Illinois National asserts that coverage is barred, in whole or in part, by Endorsement #25 to the Policy, titled "Specific Investigation/Claim/Litigation/Event Or Act Exclusion," and any similar exclusion in any subsequent policy.

5. Illinois National asserts that coverage is barred, in whole or in part, by Exclusion (1) of the Policy, titled "Conduct," and any similar exclusion in any subsequent policy.

6. Illinois National asserts that coverage is barred, in whole or in part, by Section 12(A)(2) of the Policy, titled Other Insurance and Indemnification, and any similar provision in any subsequent policy.

7. Illinois National asserts that coverage is barred, in whole or in part, by Endorsement #26 to the Policy, titled "Conduct Exclusions Amended Final, Non-Appealable Adjudication in Any Underlying Proceeding," and any similar provision in any subsequent policy.

8. Illinois National asserts that coverage is barred, in whole or in part, by public policy.

9. Illinois National asserts that coverage is barred, in whole or in part, because Plaintiff seeks coverage for wrongful conduct that was willful or intentional and, thus, uninsurable as a matter of law.

10. Illinois National asserts that coverage is barred, in whole or in part, by Exclusion (2) of the Policy, titled "Pending & Prior Litigation," and any similar provision in any subsequent policy.

11. Illinois National asserts that coverage is barred, in whole or in part, by the Entity v. Insured exclusion, and any similar provision in any subsequent policy.

12. Illinois National asserts that coverage is barred, in whole or in part, because Plaintiff seeks coverage for amounts that are uninsurable as a matter of law.

13. Illinois National asserts that coverage is barred, in whole or in part, because Plaintiff failed to provide timely notice.

14. Illinois National asserts that coverage is barred, in whole or in part, because the claims are not claims first made or deemed first made during the policy period of the Policy, or any subsequent policy issued by Illinois National.

15. Illinois National specifically pleads all warranties, terms, definitions, provisions, conditions, exclusions and limitations of any applicable insurance policy, as if each is fully set forth herein in full.

16. Illinois National asserts that coverage is barred, in whole or in part, by the Policy's relation-back clause, included in Section 7(b) of the Policy, and any similar provision in any subsequent policy.

17. If the Policy, or any subsequent policy, was procured by means of a false statement, then coverage is precluded.

18. Insurance coverage for Loss on account of disgorgement of unlawful gains is precluded by public policy.

19. Coverage is barred in whole or in part by the known loss doctrine.

20. Illinois National asserts that it had no duty to defend Plaintiff, because Section 9(A)(1) of the Policy disclaims the duty to defend.

21. Illinois National asserts that coverage is barred, in whole or in part, by Endorsement #5 to the Policy, titled "Conduct Exclusions Amended Personal Profit and Financial Advantage," and any similar exclusion in any subsequent policy.

22. Illinois National asserts that coverage is barred, in whole or in part, by Endorsement #22 to the Policy, titled "Commissions Exclusion," and any similar exclusion in any subsequent policy.

III.
REQUEST FOR DISCLOSURE

Under Texas Rule of Civil Procedure 194, Plaintiff is requested to disclose, within thirty (30) days of service of this request, the information or material described in Rule 194.2(a)–(l).

PRAYER

Having fully answered, Illinois National prays that Plaintiff take nothing by its action, and that Illinois National be awarded its costs of court and reasonable attorneys' fees. Illinois National further requests such other relief, general and specific, legal and equitable, to which it is justly entitled.

February 10, 2017

Respectfully submitted,

Norton Rose Fulbright US LLP

By *__/s/ Robert Harrell*________

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CERTIFICATE OF SERVICE

This pleading was served in compliance with Rules 21 and 21a of the Texas Rules of Civil Procedure on February 10, 2017, via efile on the parties in this matter.

________________*/s/ Robert Harrell*______
Robert Harrell